Government of Saskatchewan

Annual Report 1982-83

Saskatchewan Agriculture

The Market Development Fund

The Saskatchewan Market Development Fund

To His Honour,
The Honourable Frederick W. Johnson
Lieutenant Governor of the Province of
Saskatchewan

Sir:

I have the honour to submit the Ninth Annual Report of the Saskatchewan Market Development Fund for the period April 1, 1982 to March 31, 1983.

I have the honour to be, Sir,

Your obedient servant
Lorne H. Hepworth
Minister of Agriculture

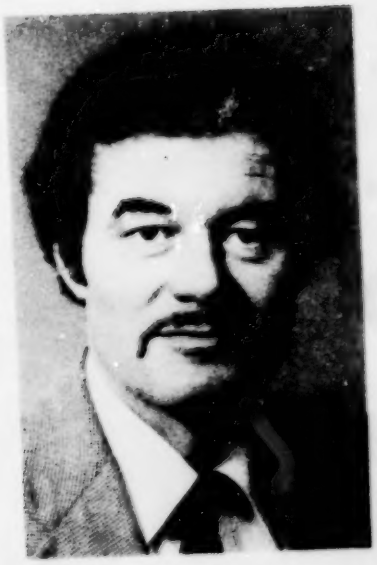
The Saskatchewan Market Development Fund

Honourable Lorne Hepworth
Minister of Agriculture

Dear Sir:

It is my pleasure to present the Ninth Annual Report of the Saskatchewan Market Development Fund for the period April 1, 1982 to March 31, 1983.

Respectfully submitted
Jack Drew
Deputy Minister of Agriculture,
and Chairman of the Market Development
Committee



Constitution of the Market Development Committee

Market Development Committee

J. L. Drew — Chairman — Saskatchewan Agriculture

J. D. Saum — Vice Chairman — Saskatchewan Agriculture

L. G. Cooper — Saskatchewan Finance

I. W. Sinclair — Saskatchewan Economic Development and Trade

J. A. Buchan — Saskatchewan Agriculture

V. D. Fritzler — Secretary — Saskatchewan Agriculture

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I. Organization

The Market Development Fund is established under The Agricultural Products Market Development Fund Act, 1974 which was proclaimed by the Lieutenant Governor-in-Council on February 4, 1975. Regulations further defining activities of the Fund were made by Order-in-Council on April 29, 1975. Monies allocated for the purpose of the Market Development Fund are provided as an appropriation in the Department of Agriculture budget. In 1982-83, funds totalling $275,000 were appropriated to that account.

The Fund is administered by the Market Development Committee which is established under the Act and is comprised of representatives from the Departments of Agriculture, Finance, and Economic Development and Trade. The Market Development Fund Co-ordinator, a staff position in the Marketing and Economics Division, Saskatchewan Agriculture, serves as Secretary and is responsible for providing administrative support to the Committee.

II. Objectives

The Market Development Fund has been established to provide assistance to encourage the exploration, development and expansion of markets for agricultural products produced or capable of being produced in Saskatchewan. Assistance from the Fund is available on a cost-shared basis to individuals, corporations, co-operatives or marketing agencies for the following purposes: trade and market development; product or process development; marketing intelligence; marketing research, business and feasibility studies; transport capability development. Assistance may take the form of grants, loans, forgivable loans, goods or services.

III. Activities of the Fund

During the year under review, the Market Development Fund provided financial assistance to a wide range of projects. Projects receiving support included a number of international trade exhibits and marketing missions, domestic and international market promotions, product and process development projects, as well as several marketing and business feasibility studies. Several of the projects are longer term and assistance will span several years; others were initiated and completed during the year.

A. Trade Shows and Exhibitions

The Market Development Fund has provided financial assistance towards attendance and participation in a number of trade shows and exhibitions over the last several years in order to promote the development and expansion of markets for Saskatchewan food and agricultural products. In the year under review assistance was provided as follows:

1982 Livestock Marketing Congress
To Saskatchewan Wheat Pool $5,000 to assist the organization in hosting and co-ordinating a Livestock Marketing Congress Conference in Regina, Saskatchewan, during June, 1982. The Livestock Merchandising Institute of Kansas City, Missouri, annually holds the Conference featuring distinguished speakers from all sectors of the livestock industry and attracting livestock people from all over North America.

1982 World Limousin Congress, Calgary
$7,000 to the Saskatchewan Limousin Association, in co-operation with Canadian Western Agribition, to attend the 1982 Canadian Limousin World Congress in Calgary, Alberta to promote sales of Saskatchewan Limousin and encourage delegates to attend Agribition '82 in Regina.

1982 Royal Livestock Show, Stoneleigh
$3,542 in assistance to the 1982 Royal Show Committee consisting of representatives from:

Canadian Western Agribition
Agricultural Development Corporation of Saskatchewan
Saskatchewan Agriculture

to attend the 1982 Royal Livestock Show in Stoneleigh, England to promote Saskatchewan livestock and semen sales and encourage participants to attend Agribition in the fall.

Leafcutter Bee International Symposium
To the Saskatchewan Leafcutter Bee Association $9,000 to co-ordinate and sponsor the First International Symposium on Leafcutter Bee Management in Saskatoon during August, 1982. As a result of the Symposium the high quality of the Saskatchewan leafcutter bee industry is now recognized worldwide.

SIAL International Food Exhibition — Bee Maid Honey
To Bee Maid Honey Limited $3,623 to attend the "Salon Internationale d'Alimentation" (World Class International Food Show) in Paris, France to develop and expand international markets for its processed honey products.

Centennial Galloway Show, Agribition '82
$6,812 to the Saskatchewan Galloway Association to host the International Centennial Galloway Show and Sale during Agribition, 1982. The event attracted international delegates to the largest display ever of Galloway cattle at Agribition.

B. Marketing Missions

Since its establishment, the Market Development Fund has supported a number of marketing missions involving both incoming and outgoing groups. These marketing missions are undertaken in an effort to develop and expand markets for Saskatchewan food and agricultural products. The effectiveness of such missions is frequently enhanced when undertaken in conjunction with other related marketing activities. A sequence in the development of markets may often involve 1) an outgoing market identification mission, 2) a follow-up seminar, 3) participation in a trade fair or show, and 4) an incoming mission of potential buyers. In the year under review assistance was provided as follows:

Saskatchewan Food Firms Mission to Export Seminar, Lake Louise
$899 to the Saskatchewan Food Producers and Processors Committee consisting of representatives from:

Dad's Cookies Ltd.
C.S.P. Foods Ltd.

to attend an export seminar in Lake Louise, Alberta to promote and develop markets for Saskatchewan food products by displaying them directly to senior personnel within the Safeway marketing chain.

Leafcutter Bee Market Development, Russia
$9,337 in assistance to the Leafcutter Bee to Russia Sales Committee consisting of:

Morrison Industries Ltd.
Agricultural Development Corporation of Saskatchewan

to travel to Russia to complete a major sale of leafcutter bees and obtain market information, and to host international delegates at the First International Symposium on Leafcutter Bee Management in Saskatoon during August, 1982.

Egyptian Dairy Market Development
To Mid West Exports Ltd. $2,757 to send two representatives to Egypt to negotiate the establishment of turn key dairy operations including the sale of dairy heifers and dairy equipment.

1982 International Incoming Mission to Agribition
To Canadian Western Agribition $15,000 to invite foreign buyers and delegates to Agribition '82 in order to promote recognition of Agribition as a major international livestock event, and to encourage international sales of Saskatchewan livestock. Canadian Western Agribition represents a tremendous opportunity for Western Canada, and for Saskatchewan in particular, to demonstrate the high quality of breeding stock producers have available for sale.

1983 Canola Growers Mission to Japan
$2,500 in assistance to the Canola Council of Canada to enable a Saskatchewan Canola grower to participate with other Western Canadian Canola growers, Canola industry representatives and media personnel in a mission to Japan. The mission provided growers with a feel for the marketing of their product and enabled both countries to discuss the current demand/supply situation for Canola.

C. Agricultural Market Promotion

Marketing involves co-ordination of a series of activities often undertaken simultaneously or at various stages of development of a market. One activity in this sequence is the development and delivery of an effective promotion program.

In previous years the Market Development Fund has provided financial assistance to several agriculture related promotion programs in Saskatchewan. In the year under review there were a number of projects which involved varying degrees of promotional activities; assistance was provided as follows:

Peter's Perogies Saskatchewan Market Development
To Peter's Perogies Inn $3,962 to promote and expand local Saskatchewan markets for its processed food products.

Pulse Growers Association Pulse Marketing Project
$14,119 to the Saskatchewan Pulse Crop Growers Association to promote Saskatchewan pulse crops in domestic and international markets. Project activities include preparation of an institutional cookbook, promotional brochures and publications, and general information releases promoting Saskatchewan pulse crops.

Vegetable Oil Promotion, Japan
$2,000 in assistance to the Canola Council of Canada to become involved in a three year campaign to promote greater consumption of vegetable oils in Japan, thereby encouraging increased sales of Saskatchewan Canola to Japan.

Zedako Market Test and Promotion
To Bymac Foods Inc. $20,378 to undertake a market test and promotional program in order to develop markets for Zedakos, a specialty food made from pita bread, lean beef, tomatoes, onions and sauce.

Top of the Morn Breakfast Promotion
$1,831 to the Saskatchewan Commercial Egg Producers Marketing Board, in co-operation with the Saskatchewan Pork Council, to sponsor a breakfast outlet at Canadian Western Agribition in order to promote their respective food products.

Saskatchewan Is — Good Eating Promotion Campaign
$22,885 to the 'Take Home A Taste of Saskatchewan' food promotion program, in co-operation with the Department of Tourism and Small Business, to undertake the "Enjoy a Taste of Saskatchewan" promotion campaign in order to promote increased awareness and consumption of Saskatchewan food products in Saskatchewan restaurants.

1982 October Pork Month Promotion Project
To the Saskatchewan Pork Council $20,000 to undertake a major advertising and promotion campaign for Saskatchewan Pork during the month of October, 1982.

Market Development for Ultra High Temperature (UHT) Milk
$59,361 in assistance to Dairy Producers Co-operative Ltd. to investigate and develop a marketplace for ultra high temperature (UHT) milk in Saskatchewan and Manitoba. UHT milk is pasteurized to an ultra high temperature in order to extend its shelf life to six months or more under non-refrigerated conditions.

1982-83 BIC Beef Promotion
To the Beef Information Centre $90,000 to conduct a major national beef promotion and advertising campaign during 1982-83. Project activities include consumer education, promotion and national advertising.

D. Packaging, Product and Process Development

Saskatchewan has traditionally played the role of major producer and exporter of agricultural raw materials. In keeping with the policy of agricultural diversification and establishment of value-added industry in the province, the government is encouraging the development of domestic and export markets for Saskatchewan processed products. One of the objectives of the Market Development Fund is to stimulate the diversification of the agricultural base and encourage value-added processing here in Saskatchewan. In the year under review assistance was provided as follows:

Sunflower Processing and Product Development
To C.S.P. Foods Ltd. $10,098 to undertake product and process development and market testing of a new processed sunflower product.

E. Market Intelligence, Research, Business and Feasibility Studies

Market intelligence and feasibility research involves systematically collecting, recording and analysing data about problems related to the marketing of goods and services. The ability to produce a product is only one step in the marketing chain; a business must also know that a product can fulfill a market need and generate a reasonable return. The intricacies involved in marketing a product are complex and many facetted and it is wise for an operator to undertake the task of finding out about the market system, competition and feasibility of production prior to investigating production facilities. The Market Development Fund has, in the year under review, supported a number of projects to help organizations compete with foreign exporters' products as well as understand the marketing systems in which they have to compete. Market Development Fund assistance was provided to the following organizations to improve marketing information:

Choiceland Dehy Feasibility Study
$10,500 to Choiceland Dehydrating Limited to undertake a comprehensive market analysis and financial feasibility study in order to establish a long term developmental plan for the company.

Elk Semen and Embryo Market Development
To the Agricultural Development Corporation of Saskatchewan $12,624 to evaluate the feasibility of marketing elk semen and embryos to New Zealand, manage the development of the collection and freezing technology required for elk semen and embryos, and evaluate the potential for establishing a commercial elk semen/embryo program for Saskatchewan.

Pacific Rim Market Potential Study for Saskatchewan Processed Products
To the Pacific Rim Study Committee $19,242 to identify and evaluate potential markets in selected Pacific Rim countries for new and existing processed agricultural and food products from Saskatchewan, and to develop a detailed strategy for Saskatchewan to effectively exploit these Pacific Rim countries.

Saskatchewan Packaged Pulse Products Feasibility Study
$2,258 in assistance to CanMar Grain Inc. and R.K. Sunview Farms Ltd. to determine the feasibility of packaging and marketing Saskatchewan dry pulse products through retail stores in Canada.

Canola Council Off-Shore Office Feasibility Study
$1,000 to the Canola Council of Canada to determine the feasibility of establishing a Canola Council of Canada office in Japan to act as a representative of the Canola Council of Canada and the Canadian Canola industry in general.

Lentil Evaluation and Market Development Project
To the Agricultural Development Corporation of Saskatchewan $19,680 to compare the cooking quality of the Chilean, Laird, and Eston varieties of lentils in order to better promote the sale of lentils in world markets, and distribute the resulting information to farmers as well.

F. Other Projects

S.A.B.C. Extension and Distribution Program
The Market Development Fund provided $14,832 to Saskatchewan Artificial Breeders Co-operative Ltd. to undertake a comprehensive extension program involving the identification of genetically superior Saskatchewan owned beef and dairy sires to local Saskatchewan producers and other potential markets outside Saskatchewan and Canada. The project also enabled Saskatchewan Artificial Breeders Co-operative Ltd. to distribute commercial semen and breeding supplies to Saskatchewan cattle producers.

Saskatchewan Vegetable Industry Developmental Study
The Market Development Fund had provided an advance of $13,500 to Agriculture Canada to participate as a co-sponsor of a study of the Fresh Vegetable Industry in Saskatchewan. The $13,500 refund is a repayment of that advance.

MDF Administration Account
This account was established to cover expenses related to publicity and administration of the Market Development Fund. During the year under review, expenses totalled $2,616.

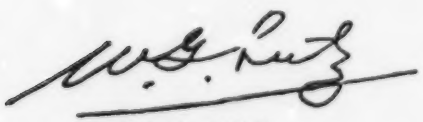
IV. Auditor's Report and Market Development Fund Financial Statements

Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the balance sheet of The Market Development Fund as at March 31, 1983 and the statement of revenue and expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the fund as at March 31, 1983 and the results of its operations for the year then ended in accordance with the stated accounting policies applied on a basis consistent with that of the preceding year.



W. G. Lutz, F.C.A.,
Provincial Auditor.

Regina, Saskatchewan,
June 29, 1983.

Statement 1

The Market Development Fund
Balance Sheet
March 31, 1983

	1983	1982
Assets		
Due from Consolidated Fund (Note 5)	$235,025	$339,381
Fund Balance		
Fund balance, beginning of year	$339,381	$413,285
Excess of expenditure over revenue (Statement 2)	104,356	73,904
Fund balance, end of year	$235,025	$339,381

(See accompanying notes to financial statements)

Statement 2

The Market Development Fund
Statement of Revenue and Expenditure
Year Ended March 31, 1983

	1983	1982
Revenue		
Transferred from the Department of Agriculture	$275,000	$250,000
Refunds of previous years' expenditures	—	19
Refunds of project advances	13,500	—
	288,500	250,019
Expenditure		
Financial assistance (Schedule 1) (Note 3)	390,240	310,423
Administration costs (Note 2)	2,616	—
Project advances	—	13,500
	392,856	323,923
Excess of expenditure over revenue — to Statement 1	$104,356	$ 73,904

(See accompanying notes to financial statements)

The Market Development Fund
Notes to Financial Statements
March 31, 1983

1. **Authority**
The Market Development Fund is a special purpose fund established under the provisions of The Agricultural Products Market Development Fund Act. The fund consists of monies transferred to it from sums appropriated for that purpose in the consolidated fund. The Market Development Committee, also established under terms of this act, may make grants and loans considered necessary for the promotion and development of markets for agricultural products produced or to be produced in the province. Assistance is provided by the Committee subject to approval of the Minister of Agriculture.

2. **Accounting Policies**
The accounts of the Fund are maintained on a cash basis whereby revenue is recorded as received and financial assistance is recorded when paid.

In some cases, recipients may be required under certain conditions to repay all or a portion of assistance received from the Fund. In other cases, recoveries of financial assistance may be received from third parties pursuant to provisions of agreements entered into with the Committee. Where assistance recoverable from third parties is outstanding at year end, such amounts are classified as project advances. Repayments from recipients or from third parties are appropriately classified as refunds in the year repayment is received.

Certain projects have been co-sponsored by the Committee and the Federal Department of Regional Economic Expansion with the total assistance in each case being financed initially from the Market Development Fund. The federal portion of assistance in such instances is paid directly to the Consolidated Fund, in accordance with policies established by the Department of Finance.

Administration costs are paid by the Department of Agriculture with the exception of certain costs of printing and professional services provided directly for the benefit of the Market Development Committee. No provision for the costs borne by the Department is included in the financial statements.

3. **Financial Assistance Recoverable**
The following schedule summarizes the amounts of financial assistance paid in the current and previous years which remains subject to repayment by recipients under certain conditions:

Fiscal Year Assistance Paid	Amount Subject to Repayment April 1, 1982	Current Year Payments (Repayments)	Amounts Earned or Written Off	Amount Subject to Repayment March 31, 1983
1979-80	$ 7,250	$ —	$ —	$ 7,250
1980-81	41,674	—	(26,320)	15,354
1981-82	57,898	(13,500)	—	44,398
1982-83	—	30,476	—	30,476
	$106,822	$16,976	$(26,320)	$97,478

4. **Outstanding Project Commitments**
As applications for financial assistance are considered and approved by the Market Development Committee and the Minister, the projects are considered to be committed for administrative purposes although payments may be subject to the satisfaction of certain conditions or may be payable from monies appropriated to the Fund in future periods. The total of outstanding project commitments at March 31, 1983 was $280,291 (1982 — $328,665).

5. **Due from Consolidated Fund**
Pursuant to a Minister of Finance Order, the monies in the Market Development Fund have been deposited to the credit of the Fund at no interest in the Consolidated Fund of the Province.

6. **Comparative Information**
During 1983 information became available which revealed that certain amounts classified in the 1982 financial statements as financial assistance would more appropriately be classified as project advances. As a result, comparative figures for the previous year have been reclassified accordingly.

Schedule 1
The Market Development Fund
Schedule of Financial Assistance
Year Ended March 31, 1983

Applicant	Project	Payments in 1982-83
Saskatchewan Wheat Pool	1982 Livestock Marketing Congress	$ 5,000
Agricultural Development Corporation	Lentil Evaluation and Market Development Project	19,680
Peter's Perogies Inn	Peter's Perogies Saskatchewan Market Development	3,962
C.S.P. Foods Ltd.	Sunflower Processing and Product Development	10,098
Saskatchewan Pulse Crop Growers Association	Pulse Growers Association Pulse Marketing Project	14,119
Pacific Rim Study Committee	Pacific Rim Market Potential Study for Saskatchewan Processed Products	19,242
Canola Council of Canada	Vegetable Oil Promotion, Japan	2,000
Saskatchewan Food Producers and Processors Committee	Saskatchewan Food Firms Mission to Export Seminar, Lake Louise	899
Saskatchewan Pork Council	1982 October Pork Month Promotion Project	20,000
Bymac Foods Inc.	Zedako Market Test and Promotion	20,378
CanMar Grain Inc. and R.K. Sunview Farms Ltd.	Saskatchewan Packaged Pulse Products Feasibility Study	2,258
Choiceland Dehydrating Limited	Choiceland Dehy Feasibility Study	10,500
Agricultural Development Corporation	Elk Semen and Embryo Market Development	12,624
Saskatchewan Pork Council, Saskatchewan Commercial Egg Producers Marketing Board	Top of the Morn Breakfast Promotion	1,831
Canadian Western Agribition, Saskatchewan Limousin Association	1982 World Limousin Congress, Calgary	7,000
'Take Home a Taste of Saskatchewan'	Saskatchewan Is — Good Eating Promotion Campaign	22,885
1982 Royal Show Committee	1982 Royal Livestock Show, Stoneleigh	3,542
Leafcutter Bee to Russia Sales Committee	Leafcutter Bee Market Development, Russia	9,337
Saskatchewan Leafcutter Bee Association	Leafcutter Bee International Symposium	9,000
Canola Council of Canada	Canola Council Off-Shore Office Feasibility Study	1,000
Mid West Exports Ltd.	Egyptian Dairy Market Development	2,757
Saskatchewan Artificial Breeders Co-operative Ltd.	S.A.B.C. Extension and Distribution Program	14,832
Dairy Producers Co-operative Ltd.	Market Development for UHT Milk	59,361
Bee Maid Honey Ltd.	SIAL International Food Exhibition — Bee Maid Honey	3,623
Beef Information Centre	1982-83 BIC Beef Promotion	90,000
Saskatchewan Galloway Association	Centennial Galloway Show, Agribition '82	6,812
Canadian Western Agribition	1982 International Incoming Mission to Agribition	15,000
Canola Council of Canada	1983 Canola Growers Mission to Japan	2,500
		$ 390,240